



Fletcher Building Investor Day May 2021

Peter Reidy
CE, Construction

26 May 2021

Agenda

1. Introduction, Fletcher Building Overview	Ross Taylor
2. Group Financials	Bevan McKenzie
3. Safety	Wendi Croft
4. Building Products	Hamish McBeath
5. Concrete	Nick Traber
6. Distribution	Bruce McEwen
7. Residential and Development	Steve Evans
8. Construction	Peter Reidy
9. Australia	Dean Fradgley
10. People, Innovation and Sustainability	Claire Carroll
11. Concluding Remarks and Q+A	Ross Taylor



- Peter Reidy joined Fletcher Building as Chief Executive of Construction in October 2018
- Success in leading cultural change and delivering sustainable results across customer intensive infrastructure based businesses in sectors including transport, water, energy, tourism, construction in NZ, Australia, SE Asia and the UK
- Public and private sector leadership experience



Construction

Leading New Zealand Tier 1 Contractor

- ➔ Vertical and horizontal construction offering in New Zealand and South Pacific, with strong heritage brands
- ➔ Full lifecycle service offering
- ➔ Specialised self-perform businesses

Brands	Business Units
	<ul style="list-style-type: none">• Buildings: Major buildings for Government, institutions and businesses throughout New Zealand – since 1909• Infrastructure: Major transport projects throughout New Zealand, including Puhoi to Warkworth, Peka Peka to Otaki and Hamilton City Edge• South Pacific: Buildings, civil & marine engineering throughout the South Pacific region – since 1946
	<ul style="list-style-type: none">• Brian Perry Civil: Ground engineering, marine and utilities (including Three Waters) throughout New Zealand and the South Pacific• Incorporates specialist businesses Pipeworks and Piletech
	<ul style="list-style-type: none">• Higgins: Roading specialist – building, maintaining and materials supply• Number two asphalt producer in the New Zealand market with 13 asphalt plants, bitumen distribution and storage facilities• Long-term maintenance contracts with Waka Kotahi and local authorities

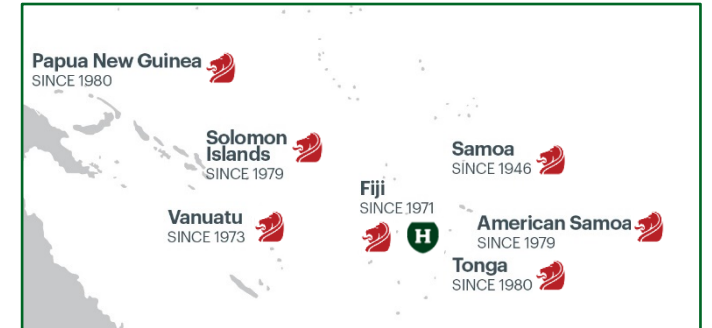
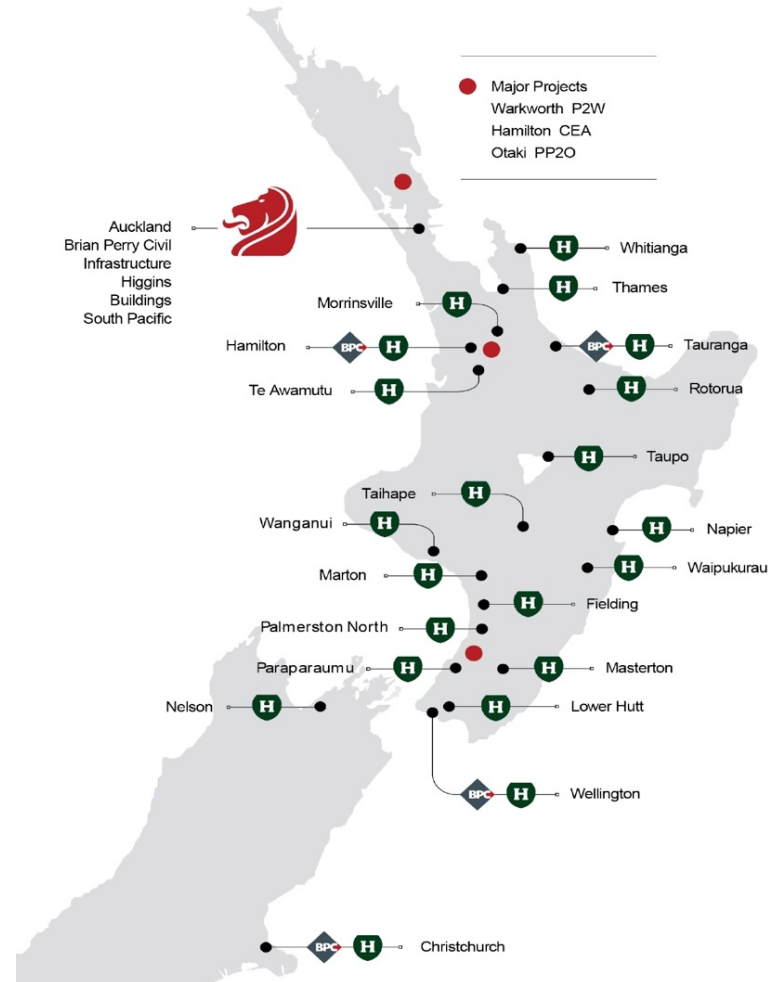


Construction

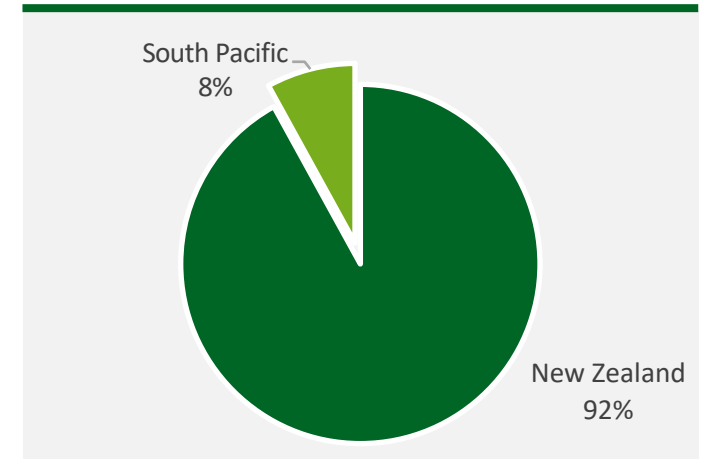
The Construction sector matters to New Zealand

Construction Market Size (Work Put In Place FY21)

Sector	Size	Fletcher Share
Commercial	\$8.5b	c.2%
Infrastructure	\$8.9b	c.13%
South Pacific	\$2.3b	c.4%
	\$19.7b¹	c.7%



Revenue Split



Construction

Positioned in growth sectors

TRANSPORT

SECTOR SIZE / P.A.

\$7-7.5b



- Highway and local road construction
- Road maintenance
- Ports / marine upgrades
- Airport runways

BUILDINGS

SECTOR SIZE / P.A.

\$8-8.5b



- Health – hospital upgrades
- Defence
- Education – school construction
- Auckland Airport

THREE WATERS

SECTOR SIZE / P.A.

\$1.5-2.0b



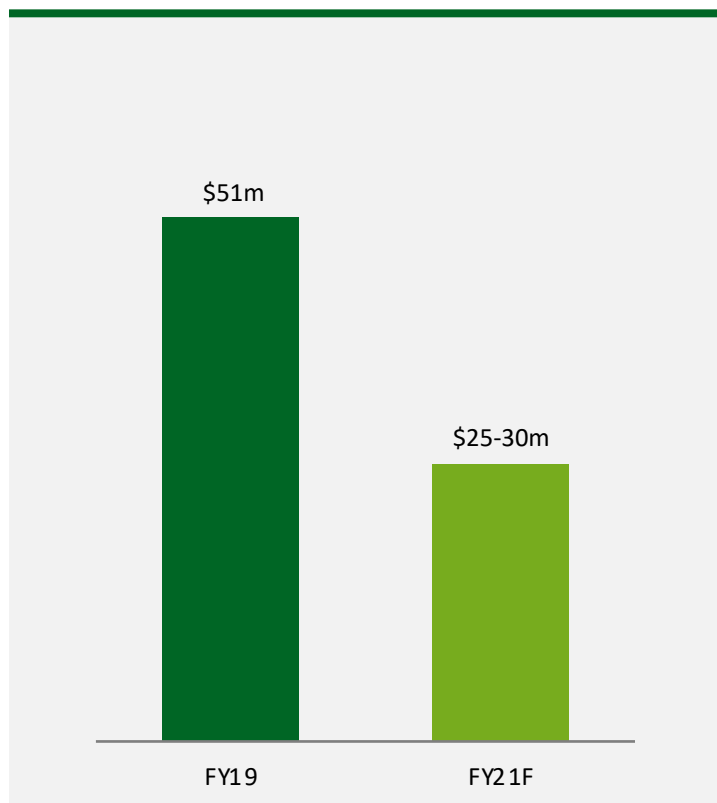
- Water & wastewater network upgrades
- Treatment plant upgrades



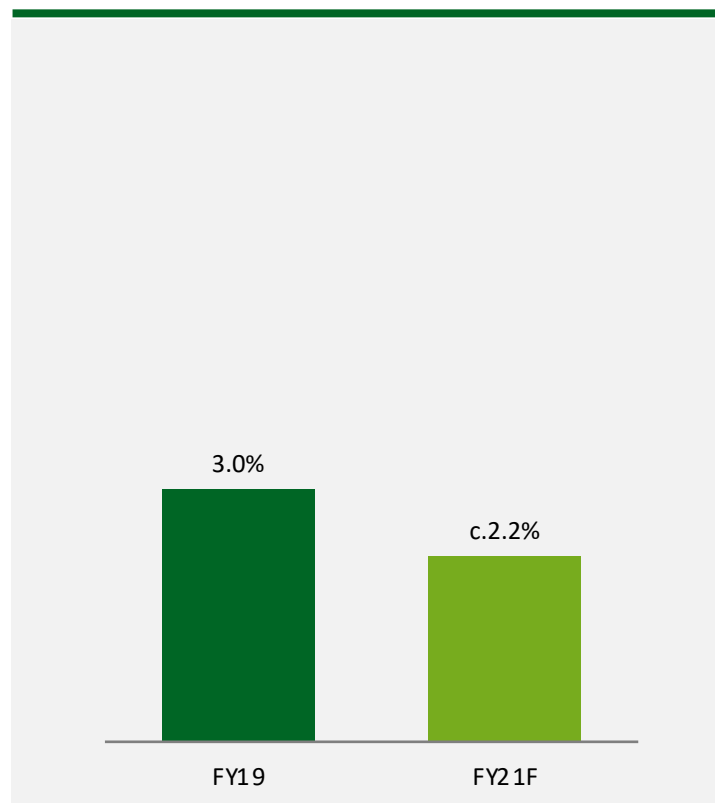
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Current earnings reflective of nil margin legacy work

EBIT (\$m)¹



EBIT Margin¹ (%)



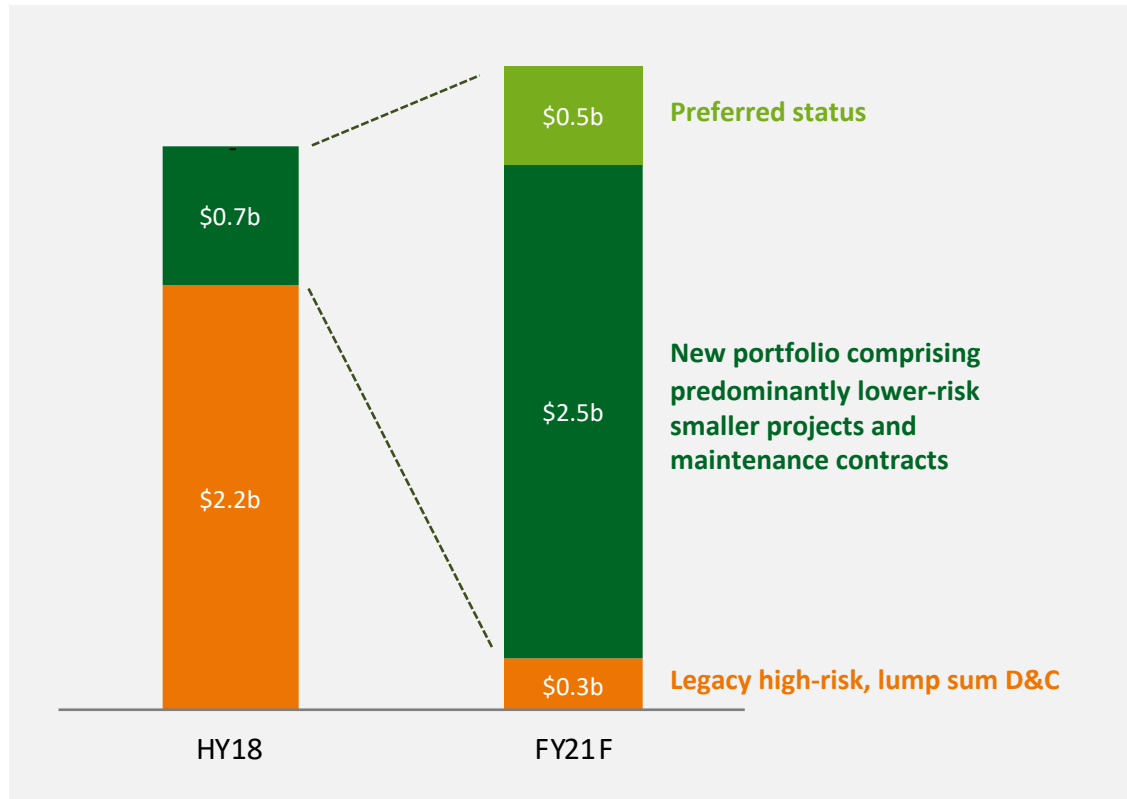
Key Non-financial Measures

	FY19	YTD21
TRIFR ²	6.1	4.9
NPS ³	34	n/a
Engagement	72%	66%
Carbon ('000t) ⁴	42	33



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Order book growth rebalanced to lower risk



\$3.3b Order Book

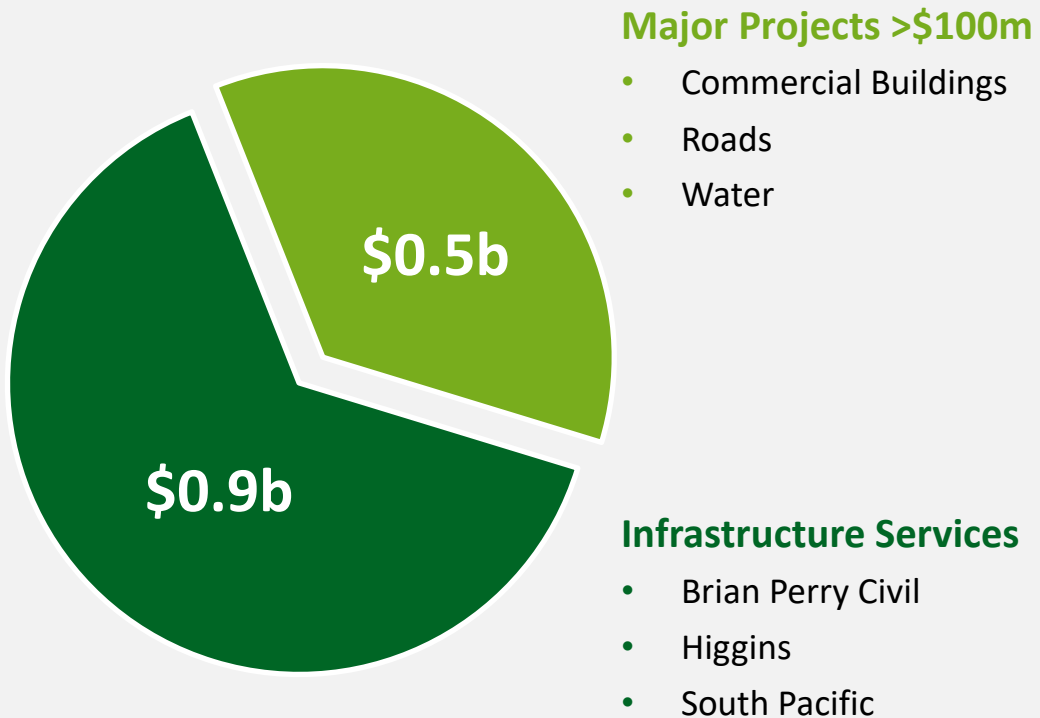
- 67% of our order book comprises medium risk style contracts – including multi-year alliance contracts, programme agreements and asset maintenance
- Underpins 75% of forecast revenue for FY22 and 50% of FY23



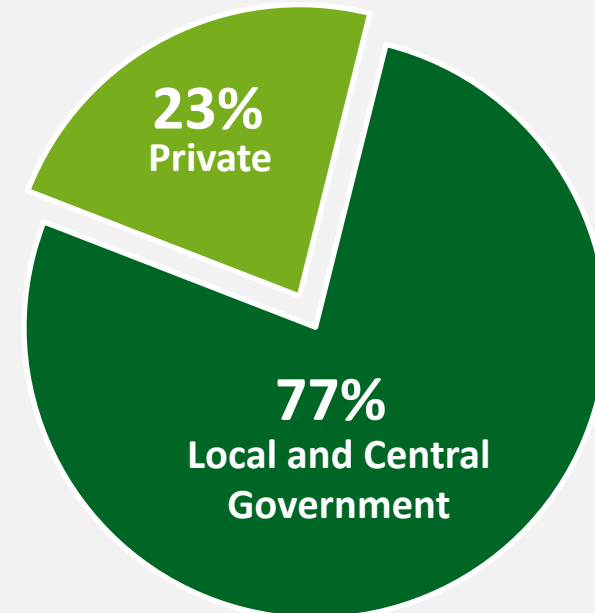
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Growth driven by lower risk contracts

FY21F Annual Revenue



Sector Exposure



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Our 3-stage roadmap to create value

STRENGTHEN DELIVERY CAPABILITY AND CAPACITY



- Risk management platform and field tools
- Specialised plant and assets
- Upskilling people
- Self-perform resources

BUILD CAPABILITY AROUND GROWTH CUSTOMERS



GROW ASSET LIFECYCLE PRODUCTS + SERVICES



Diversifying revenue, offering a broader range of integrated services and technology



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Strengthen delivery capability and capacity

Specialised Plant

- ➔ Asphalt
- ➔ Marine
- ➔ Trenchless pipelines

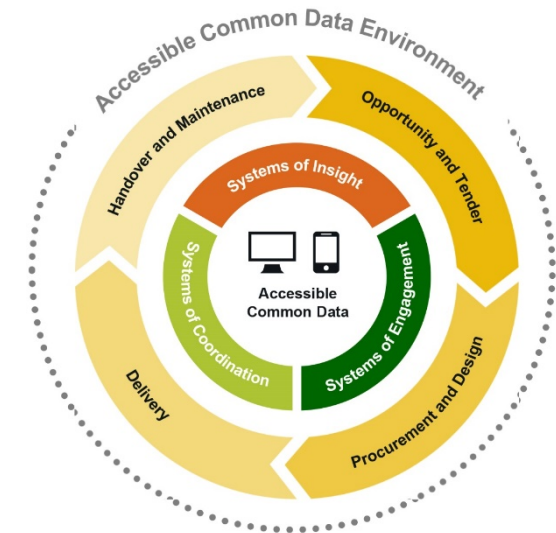


People Development

- ➔ Critical skills
- ➔ Apprentices
- ➔ Diversity
- ➔ Training & Development



Digital Platforms



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Build capability around growth customers



Watercare Enterprise Model
10-year programme

ENTERPRISE
MODEL

\$2.4b

FLETCHER
SHARE

\$1.2b

Fletcher Water
THE FLETCHER CONSTRUCTION COMPANY

 **Fulton Hogan**



AMETI
Eastern Busway 2, 3, 4

ALLIANCE
PROJECT

\$500m

* Preferred

FLETCHER
SHARE

\$240m

 **acciona**

 **Fletcher**

AECOM

Jacobs



Kings Road
Fiji Roads Authority

CONSTRUCT ONLY
(VARIOUS PROJECTS)

\$80m

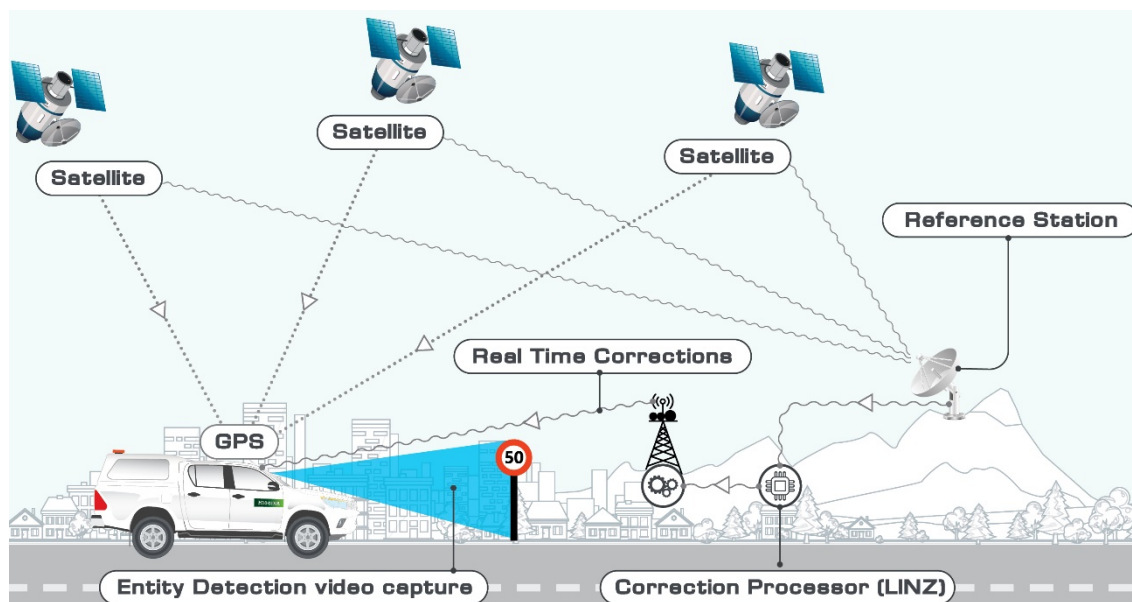
HIGGINS



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Grow asset lifecycle products and services

Asset Management



Bituminous Products



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Closing summary

- ➔ Reshaped forward order book with growth rebalanced to lower risk
- ➔ Legacy run-off will largely be completed by the end of FY23
- ➔ Strong secured revenue for FY22
- ➔ Investing in specialised assets, digital risk management tools, safety leadership and people development programmes
- ➔ Expect EBIT to be bottom of margin range (3-5% by FY22) as order book replaces nil margin legacy work
- ➔ Focused on creating a sustainable Fletcher Construction



Questions

